-----Original Message-----
From: Warren Wolfeld
Sent: Friday, July 14, 2006 1:42 PM
To: rfapatents.comments@uspto.gov; Rfa-patents.comments
Subject: "small business concern" licensing only impliedly

> The open request for comments is an excellent opportunity to clarify
> whether a license to a non-small entity that arises only impliedly
> vitiates small entity status for the applicant/patentee.
>
> This situation comes up frequently when the invention is embodied in
> software, and the software is mass-marketed with a standard
> shrink-wrap license. Typically the shrink-wrap license document grants
> a *copyright* license, or grants a "license" without specifying the
> particular IP right(s) under which the license is granted. Sometimes
> the document explicitly excludes patent licenses, and sometimes it is
> silent on the issue of patent licenses.
>
> However, in many situations the licensee cannot use the software
> without using the patented invention. Therefore the law often implies
> a license under any required patent owned by the vendor, to enable the
> licensee to enjoy the use of the software. See, for example, United
> States v. Univis Lens Co., 316 U.S. 241; MET-COIL SYSTEMS v. KORNERS
> UNLIMITED, 803 F.2d 684 (Fed. Cir. 1986); Bandag, Inc. v. Al Bolser's
> Tire Stores, Inc., 750 F.2d 903, 925 (Fed. Cir. 1984). Without having
> researched the question, I suspect that such an implied license might
> sometimes arise even in some situations where the shrink-wrap license
> purports to explicitly exclude it.
>
> The current definition of "small entity" excludes those who have
> "licensed" the invention to a non-small entity. The definition does
> not limit the exclusion to only those who have licensed the invention
> explicitly. Therefore, since the implication of a patent license
> depends heavily on the facts, and since an applicant/patentee usually
> does not know whether or when his or her mass-marketed software
> product is purchased (licensed) by a non-small entity, some
> practitioners shy away from claiming small entity status for
> software-embodied inventions even when the applicant/patentee might
> rightfully be entitled to it. A "chilling effect" exists which
> prevents many small entity applicants/patentees from obtaining
> benefits to which they are rightfully entitled.
>
> I would suggest that the problem can be solved by changing the wording

> to, "... (b) which has not assigned, granted, conveyed, or
> *explicitly* licensed (and is under no obligation to do so) any rights
> in the invention...."
>
> Thank you for the opportunity to comment. This comment expresses the
> opinion of the author alone, and does not necessarily express the
> views of his law firm or of any client.
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> Warren S. Wolfeld
> Haynes Beffel & Wolfeld LLP
> P.O. Box 366, 751 Kelly St.
> Half Moon Bay, CA 94019
> wwolfeld@hmbay.com
> O 650.712.0340
> F 650.712.0263
> www.hmbay.com